

SENATE BUDGET COMMITTEE
DEMOCRATIC CAUCUS
KENT CONRAD, RANKING MEMBER

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**SENATE BUDGET COMMITTEE RANKING DEMOCRAT SAYS
AGRICULTURAL NEEDS SHOULD BE ADDRESSED IN
UPCOMING BUDGET DEBATE**
Effect of High Energy Prices May Also Require Special Attention

Washington - Senator Kent Conrad, the ranking Democrat on the Senate Budget Committee, called on Congress to take into account the special needs of the worsening agricultural economy and the negative impact of high energy prices as it begins consideration of a budget plan for the next fiscal year. Speaking before a Senate Budget Committee hearing, Conrad said it is time for Congress to recognize the economic crisis facing American farmers before it writes next year's blueprint.

"Analysts are predicting that this year will bring farmers their fourth consecutive year of historic low prices and very poor market-derived producer income," said Conrad. "Rather than waiting to pass an emergency package while our farmers suffer, let us take the lead and incorporate these special needs in our budget plan now so that we can bring stability and economic certainty to rural America."

Poor agricultural conditions have prompted Congress to enact three economic emergency assistance packages during the past three years totaling approximately \$25 billion. With the U.S. Department of Agriculture predicting 2001 to be the worst year yet, national net farm income is forecast to fall below \$38 billion this year, down 31% from the 1996 level of \$55 billion, when the current farm bill was first enacted.

"Clearly, Congress needs to rewrite the farm bill to provide stability and fairness to rural America," added Conrad. "It is important for the Congress to include agricultural funding in the fiscal year 2002 budget resolution so that we can address this year's farm crisis before it is too late."

Senator Conrad also expressed concerns about the impact of very high energy prices on farmers, businesses and residential customers throughout the country, and what Congress can do to help alleviate the pain of higher costs. Solutions range from short-term fixes such as

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broadening the income level of people who can qualify for Low Income Home Energy Assistance Program funds to long-term help such as offering tax credits for research and development of new energy sources.

“Recognizing that higher prices in natural gas, electricity, gasoline, diesel and home heating oil fuel are impacting virtually every sector of American society, I want to make sure that we address this reality as Congress develops next year’s budget plan,” said Conrad.

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